

**香港特別行政區政府**  
**The Government of the Hong Kong Special Administrative Region**

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5 April 2013

The Honourable WONG Kwok-hing, MH  
 Chairman of the Panel on Housing  
 Legislative Council Complex  
 1 Legislative Council Road  
 Central  
 Hong Kong

Dear Chairman,

**Panel on Housing**  
**Shau Kei Wan Mixed Scheme Project**  
**Developed by the Hong Kong Housing Society**

At its meeting on 4 March 2013, the Legislative Council Panel on Housing discussed the Shau Kei Wan urban renewal project (H21 project) developed by the Hong Kong Housing Society (HKHS). After the meeting, you wrote to the Secretary for Development and the Secretary for Transport and Housing to convey the views of the Panel on how HKHS should determine the future selling price of the flats of the H21 project, the mode of co-operation between HKHS and the Urban Renewal Authority (URA), and that the Government should take this opportunity to review the role and positioning of HKHS in the Government's housing policy. The consolidated reply of the Development Bureau and the Transport and Housing Bureau (THB) is set out below.

In December 2002, following a recommendation in the "Report on the Review of the Institutional Framework for Public Housing" published in June 2002, URA and HKHS signed a Memorandum of Understanding (MoU) on strategic partnership to facilitate implementation of the urban renewal programme. Pursuant to the MoU, HKHS has implemented six urban renewal projects, including five urban renewal projects in Sham Shui Po (namely, the Po On Road/Wai Wai Road project (Heya Green), the

Castle Peak Road/Cheung Wah Street project (Heya Delight), the Un Chau Street/Hing Wah Street/Castle Peak Road project (Heya Crystal), the Hing Wah Street/Un Chau Street/Fuk Wing Street project (Heya Aqua), the Castle Peak Road/Hing Wah Street project (Heya Star)), and the H21 project in Shau Kei Wan Road/Nam On Street.

According to the MoU, URA and HKHS would focus on the development proposals prepared in accordance with the repealed Land Development Corporation Ordinance (Cap 15) (LDCO). The MoU stipulates that, if deemed necessary in future, both parties can enter into a separate new MoU/revise the MoU to implement development projects or development schemes prepared in accordance with the Urban Renewal Authority Ordinance (Cap 563) (URAO). The abovementioned six projects are among the 25 redevelopment projects announced but yet to be commenced by the former Land Development Corporation from which URA has taken over upon its establishment in 2001. All the six projects were implemented by way of development proposal. (Pursuant to the Urban Renewal Strategy (URS) published in 2001, URA should give priority to the implementation of these 25 projects.)

The MoU stipulates that HKHS will observe and comply with the URAO, the LDCO and the URS in the implementation of the projects, and will follow the URA's acquisition and compensation policies, including the payment of compensation and ex-gratia allowances to the affected owners, and offering ex-gratia allowance or rehousing arrangement to the affected tenants. Besides, URA would recommend to the Government resumption of land under the URAO in respect of those property interests which HKHS has failed to acquire by agreement.

According to the MoU, HKHS is autonomous in the other aspects of project implementation, including project planning, construction, the sale or lease or other form of disposal of the redevelopments and the related promotion and marketing arrangements. HKHS will meet all the costs and expenses involved in these projects and will be solely entitled to the profits of the projects or to be solely responsible for the losses of these projects. The MoU has no restrictions on the use or selling price of the flats upon redevelopment, including whether they are for sale to the public at market price, or whether re-sale restriction should be imposed etc.

The progress of the six redevelopment projects undertaken by HKHS is as follows. HKHS has already put up for public sale the Po On Road/Wai Wai Road project (Heya Green) in mid-2012, and has plans to sell the abovementioned H21 project at Shau Kei Wan Road/Nam On Street later this year. The remaining four redevelopment projects, namely Heya Delight, Heya Crystal, Heya Aqua, Heya Star, are under construction and are expected to be available for sale between 2014 and 2015.

The abovementioned six projects have entered the construction or sale stage. In other words, HKHS has completed the acquisition, compensation and land resumption processes for the projects as specified in the MoU. URA no longer has any role in the subsequent arrangements of these projects, including all their sale or leasing arrangements.

Furthermore, since URA and HKHS have no plans to revise the MoU or enter into a separate new MoU, there will not be any redevelopment projects of similar nature through co-operation of the two parties. However, should the need arise in future for URA and HKHS to enter into a new MoU, the mode of co-operation between the two parties will be reviewed, having regard to the recommendations of the Panel.

As for the role and positioning of HKHS in the Government's housing policy, THB has indicated that HKHS has all along been a close partner of the Government in serving the housing needs of the community. For instance, HKHS provides subsidised rental and sale units to meet the housing needs of different target groups. It also operates the Senior Citizen Residence Scheme to provide subsidised elderly housing for eligible elders.

In view of the tight housing supply, the Government would continue to engage HKHS in providing affordable housing for the community should land resources permit. As announced in the 2013 Policy Address, the Government has set aside a site in Sha Tin for HKHS to undertake a subsidised sale project. Another site in Sha Tau Kok will also be allocated to HKHS for rental housing development.

The functions and powers of HKHS are governed by its constitution, which is provided for under the Hong Kong Housing Society Incorporation Ordinance (Cap 1059). HKHS has established governing bodies in accordance with its constitution, including the Supervisory Board which sets the mission and direction of HKHS, and the Executive Committee which is responsible for the executive function. The Government will continue to collaborate with HKHS at different levels to ensure the smooth implementation of the abovementioned projects.

Yours sincerely,



(Ms Winnie SO)  
for Secretary for Development

c.c.

Transport and Housing Bureau  
Urban Renewal Authority  
Hong Kong Housing Society  
Secretary for Development's Office

(Attn: Mr Kasper NG)  
(Attn: Mr Lawrence YAU)  
(Attn: Mr Patrick TSANG)  
(Attn: Mr Wilfred LAU)